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New Scam Showing up in Utah

A postcard arrives promising the best night's sleep you ever had, touting a cure for many of our ailments and announcing a free dinner to boot. What could possibly provide all these wonderful things? According to the postcard, magnetic therapy is the answer. Come, enjoy a free dinner and while you're here, listen to our sales pitch and let us twist your arm into buying our product.

"Without getting into any type of discussion regarding any real or imagined medical benefits, consumers looking for relief from their ailments are getting ripped off in these so called promotions," says Francine Giani, Director of the Utah Division of Consumer Protection.

A scam active for several months in other states now is beginning to appear in Utah. Companies selling magnetic mattress pads, with unproven health claims are mailing postcards to consumers inviting them and their friends to a free dinner and presentation at a local restaurant.

The card states the presentations is for sufferers of arthritis, osteoporosis, high cholesterol, fibromyalgia, diabetes, heart disease, multiple sclerosis, Alzheimer's and other diseases. It touts a safe drug-free remedy, but it doesn't identify the product. Consumers may respond simply by calling a toll-free number to make a reservation.

Before consumers can enjoy their free dinner, they must sit through a sales presentation. The presenter uses charts, books, articles and celebrity endorsements in the pitch to sell magnetic mattress pads for prices up to \$1,000. But, they will claim, "TONIGHT ONLY," diners can receive huge discounts for the products. The hook is the seller's promise of a full money-back guarantee if the buyer is not satisfied with the product, but the consumer must first try the product for 90 or 100 days.

What consumers are not aware of is that the individuals making the sales pitch, regardless of the claims they make touting their own experiences with the product, are professional motivational sales speakers, hired by the mattress company to sell as many mattresses as possible, as fast as possible. And, since they are paid by commission, the way they make their money is to sell, sell, sell.

What the promoter will tell potential buyers is that all the consumer has to do after the trial period is call the company and get an authorization number to return the item. What they don't mention is that many times, by the time the consumers' 90-day trial period is over, these companies have closed their doors and gone out of business. Consumers who try to take advantage of the refund offer are left stranded. In addition, after 60 to 90 days, most credit card companies will not allow charges to be disputed or reversed.

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Recently, Florida and California accused one company of using this marketing technique. European Health Concepts Inc. is alleged to have made false claims about the magnetic mattress pads and magnetic seat cushions it peddles. California is demanding more than \$1.5 million in penalties, along with full restitution to customers. In recent weeks, the Utah Division of Consumer Protection has also taken action against European Health Concepts.

Consumers should always be wary of sales promotions which require them to purchase immediately if they want to take advantage of supposed discounts or which otherwise force them to make a hasty decision. The company names might be different, but Giani says the basic approach is similar.

“The complaints that we receive primarily deal with promotions wrapped around dinner seminars, which lure seniors and other potential victims with the promise of a free meal, then pressure them into purchases,” she said.

Along with food, guests get a heavy pitch on the pads’ supposed healing powers. The 45-minute pitch normally consists of rave reviews for the various magnetic products the company is selling, traditionally seat pads and mattress pads. The salesperson then describes how the magnetic therapy helps eliminate pain, arthritis, headaches, high cholesterol, asthma, impotence, stress, diabetes and many other ailments. One problem is that none of these claims of medical healing have been substantiated. Such claims must be reviewed and approved for marketing purposes by the U.S. Food and Drug Administration. But usually the promoter neglects to mention that.

Promoters usually claim things like, “You’ve got nothing to lose. Each pad comes with a 90-day, money-back guarantee. If you buy tonight, you’ll get a big discount.” Even with the supposed big discount, promoters make out pretty well. Resembling quilts, they contain internal magnets. Some manufacturers sell them wholesale for about \$100 to salesmen who resell them for \$1,000 or more.

What can you do to protect yourself? According to Francine Giani, consumers should not purchase the mattress pad or any product being sold in this high-pressure fashion. If you are interested in magnetic merchandise, check with local retailers of home health supplies to see if they carry (or can order) these products for you. Many times, the merchandise will cost less and you may also be able to return the merchandise more easily.

“One advantage of dealing with an established, local business is that if you have questions or problems,” she says, “There is an address you, or we, can find to start trying to resolve the problem.”